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Business and commercial Aviation

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PRATT & WHITNEY, MTU DEVELOPING NEW BUSINESS JET ENGINE

Pratt & Whitney of Canada, in conjunction with the Canadian government and Motoren-und-Turbinen-Union Munchen GmbH (MTU) of West Germany, announced plans last week to develop a new business jet engine in the 4,500-6,000-pound thrust category.

Designated as the PW300, the new engine will be designed for use on medium-sized business jets. Asked why the two companies and the Canadian government were launching the program now while sales of new business jets are depressed, a Pratt & Whitney official agreed that sales are very slow at present. She added, however, that "Our marketers believe in a few years there will be a market out there" for a new engine of that size.

Total development costs, including post certification development work, will amount to nearly $500 million (Canadian). The Canadian government will provide approximately 26 percent of development costs, which will be repayable to the government through royalties based on sales. MTU will have a 25 percent share of the program, including design, development and manufacturing. Pratt & Whitney of Canada will have sole responsibility for program management, marketing and product support of the engine. L.D. Caplan, president and chief executive of the Canadian firm, noted that this will be "the largest development program ever undertaken by Pratt & Whitney of Canada." Canadian government support will apply only to Pratt & Whitney's 75 percent share of the program.

Officials said the development program will take five to seven years to complete, with certification anticipated in the early 1990s. Pratt & Whitney of Canada engines power a number of small business jets such as Cessna Citation I and II and the Mitsubishi/Beech Diamond and the company is a major producer of turboprop powerplants for a range of corporate and commuter/regional airline aircraft. Garrett's TFE731 line of turbofans has dominated the market for medium-size business jet engines, however, and the new PW300 is expected to compete directly with the Garrett models.

RAA'S STEPHEN SAYS BUDGET CUTS WILL 'SERIOUSLY IMPAIR' SAFETY

Proposed reductions to aviation programs in the Reagan Administration's fiscal 1987 budget are in excess of $700 million below levels authorized, and may "seriously impair National Aviation System safety, efficiency and capacity," according to Alan Stephen, executive vice president of the Regional Airline Association. Speaking before a House Budget Committee field hearing in Dallas last week, Stephen warned that deeper cuts of $1 billion or more could be triggered if an overall deficit ceiling of $144 billion is not met, resulting in individual line item cuts of programs, projects and activities.

Stephen noted that the Aviation Trust Fund, "has not been used for the purpose intended...billions lie idle as safety and capacity needs remain unmet," adding that the Administration now proposes to take $2.1 billion from the Trust Fund for FAA operations and maintenance. He urged the committee to adopt a budget resolution which would allow spending for FAA programs at levels authorized in the 1982 Airport and Airway legislation: $1 billion for airport improvement; $1.1 billion for National Aviation System facilities and equipment; $193 million for aeronautical research, engineering and design, and $1.3 billion for FAA operations. Spending at these levels could be maintained with 1987 Trust Fund projected income, and still leave a surplus of more than $4.5 billion, he said.

(Continued on the following page)

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AIRPORT & AIRWAY TRUST FUND
Status As Of Nov. 30, 1985

	CURRENT MONTH	FISCAL YEAR TO DATE
I. BALANCE - BEGINNING OF PERIOD	$ 7,553,960,943.53	$ 7,425,506,743.43
II. RECEIPTS:		
A. Excise Taxes (Transferred from General Fund):		
Any liquid fuel except gas	7,600,000.00	15,891,000.00
Tires used on aircraft	0.00	0.00
Tubes used on aircraft	0.00	0.00
Gasoline		
1. Commercial 9 cents tax	218,000.00	450,000.00
2. Non-commercial 9 cents tax	1,706,000.00	3,567,000.00
3. Non-commercial 3 cents tax	543,000.00	1,135,000.00
4. Transp by air,seats,berths,etc.	223,539,000.00	453,517,000.00
Use of international trav fac	8,184,000.00	17,483,000.00
Transp of property and cargo	17,976,000.00	37,234,000.00
Total Tax Receipts	259,766,000.00	529,277,000.00
B. Less Reimbursement to General Fund - Refund of Taxes and Estimated Tax Credits :		
1. Civil aircraft	0.00	0.00
2. Any liquid fuel except gas	0.00	0.00
3. Gasoline -Retailer's tax	0.00	0.00
4. Gasoline -Manufac. tax	0.00	0.00
Total Reimburse For Tax Refunds	0.00	0.00
Net Tax Receipts	259,766,000.00	529,277,000.00
C. Interest on Investments	545,758.24	642,085.89
Net Receipts	260,311,758.24	529,919,085.89
II. EXPENDITURES :		
A. Federal Aviation Administration :		
1. Operations	0.00	-399.66
2. Grants-in-aid for airports	77,642,245.97	150,514,205.88
3. Facilities & equipment	54,596,012.88	89,183,631.44
4. Research engineering & development	18,922,348.47	50,445,297.21
B. NOAA weather services	0.00	2,171,000.00
C. Interest on Refund of Taxes	0.00	0.00
Total Expenditures	151,160,607.32	292,313,734.87
IV. BALANCE - END OF PERIOD	7,663,112,094.45	7,663,112,094.45

ASSETS :		
Undisbursed Balances:		
Airport & Airway Trust Fund	1,000,790.25	
Operations	9,989.42	
Grants-in-aid for Airports	4,351,220.88	
Facilities & Equipment	4,970,652.92	
Research Engineering & Development	4,243,440.98	
NOAA weather services	3,499,000.00	
		$ 18,075,094.45
Investments :		
U.S. TREASURY CERTIFICATES OF INDEBTEDNESS:		
10-3/4% maturing JUNE 30, 1986	$ 7,410,218,000.00	
10-3/8% maturing JUNE 30, 1986	234,819,000.00	
		7,645,037,000.00
Total Assets		7,663,112,094.45
LIABILITIES:		0.00
EQUITY:		
Excess of Assets over Liabilities		$ 7,663,112,094.45
Total Liabilities and Equity		7,663,112,094.45

Treasury Department Chart

		Jan. 86	Cal. Year
AEROSPATIALE GENERAL AVIATION			
• Single-Engine			
TB9	Tampico	1	1
TB10	Tobago	0	0
TB20	Trinidad	0	0
TB21	Trinidad TC	0	0
R110		1	1
R180		0	0
R235		2	2
TOTAL		4	4
BEECH AIRCRAFT CORP.			
• Single-Engine			
BE-77	Skipper	0	0
BE-C23	Sundowner	0	0
BE-C24R	Sierra	0	0
BE-F33A	Bonanza	0	0
BE-A36	Bonanza	6	6
BE-V35B	Bonanza	0	0
BE-B36TC	Bonanza	2	2
• Multi-Engine			
	Diamond IA	2	2
BE-B55	Baron	0	0
BE-E55	Baron	0	0
BE-58	Baron	0	0
BE-58TC	Baron	0	0
BE-58P	Baron	0	0
BE-76	Duchess	0	0
BE-860	Duke	0	0
BE-C99	Airliner	0	0
BE-C90-1	King Air	1	1
BE-F90-1	King Air	0	0
BE-B100	King Air	0	0
BE-200	Super King Air	4	4
BE-200C	Super King Air	0	0
BE-300	Super King Air	3	3
BE-200T	Super King Air	0	0
BE-1900C	Commuter	0	0
TOTAL		18	18
Manufacturers net billing -- $23,020,471.75			
BRITISH AEROSPACE			
• Multi-Engine			
BAe	Jetstream	1	1
HS-748		0	0
BAe 146-100		0	0
BAe 146-200		0	0
HS-125-800	Model A	1	1
HS-125-800	Model B	0	0
TOTAL		2	2
PILATUS BRITTEN-NORMAN LTD.			
• Multi-Engine			
BN-2B	Islander	0	0
BN-2T	Islander	0	0
Mark III	Trislander	0	0
		0	0
CANADAIR			
• Multi-Engine			
CL-600	Challenger	0	0
CL-601	Challenger	0	0
TOTAL		0	0
CESSNA AIRCRAFT CO.			
• Single-Engine			
CE-152		0	0
CE-A152	Aerobat	0	0
CE-172	Skyhawk	8	8
CE-172	Cutlass	0	0
CE-172RG	Cutlass	0	0
CE-182	Skylane	4	4
CE-182	Turbo Skylane	0	0
CE-182RG	Skylane RG	0	0
CE-182RG	Turbo Skylane RG	0	0
CE-185	Skywagon	0	0
CE-U206	Stationair 6	3	3
CE-TU206	Turbo Stationair 6	1	1
CE-207	Stationair 8	0	0
CE-TU207	Turbo Stationair 8	0	0
CE-208	Centurion	0	0
CE-210	Centurion	1	1
CE-T210	Turbo Centurion	0	0
CE-P210	Pressurized Centurion	0	0
CE-188	AgHusky	0	0
CE-188	AgTruck	0	0
• Multi Engine			
CE-303	Crusader	0	0
CE-335		0	0
CE-340		0	0
CE-402		1	1
CE-404	Titan	0	0
CE-414	Chancellor	1	1
CE-421	Golden Eagle	0	0
CE-425	Conquest I	0	0
CE-441	Conquest II	0	0
CE-500	Citation I	0	0
CE-550S/II	Citation II	2	2
CE-650	Citation III	0	0
REIMS AVIATION			
• Single Engine			
CE-152		0	0
CE-F152	Aerobat	0	0
CE-F172	Skyhawk	0	0
CEFR172	Hawk XP	0	0
CE-F182	Skylane	0	0
CE-F182RG	Skylane RG	0	0
TOTAL		21	21
Manufacturers bet billing -- $8,742,000			
AVIONS-MARCEL DASSAULT			
• Multi-Engine			
AD-MY.10	Falcon	0	0
AD-MY.20	Falcon	1	1
AD-My. 200	Falcon	0	0
AD-My.50	Falcon	1	1
TOTAL		2	2
DEHAVILLAND AIRCRAFT OF CANADA			
• Multi Engine			
DHC-6	Twin Otter	0	0
DHC-7		0	0
DHC-8		0	0
TOTAL		0	0
EMBRAER			
• Single Engine			
EMB-201	Ipanema	2	2
EMB-710	Carioca	0	0
EMB-711	Corisco	0	0
EMB-712	Tupi	0	0
EMB-720	Minuano	2	2
EMB-721	Sertanejo	0	0
• Multi-Engine			
EMB-110	Bandeirante	0	0
EMB-120	Brasilia	0	0
EMB-121	Xingu	0	0
EMB-810D	Seneca II	2	2
EMB-820		0	0
TOTAL		6	6
FAIRCHILD AIRCRAFT CORP.			
• Multi-Engine			
Merlin III-C		0	0
Fairchild 300		0	0
Merlin IV-C		0	0
Metro III		1	1
Expediter		0	0
TOTAL		1	1
GATES-LEARJET			
• Multi-Engine			
LR-25D		0	0
LR-25G		0	0
LR-29		0	0
LR-35A		0	0
LR-36A		0	0
LR-55		0	0
TOTAL		0	0

		Jan. 86	Cal. Year
GULFSTREAM AEROSPACE			
• Multi-Engine			
GR-1159A	Gulfstream III	0	0
AE-840	Turbo Commander	0	0
AE-900	Commander 900	0	0
AE-980		0	0
AE-1000		0	0
TOTAL		0	0
ISRAEL AIRCRAFT INDUSTRIES		*	*
• Multi-Engine			
1124	Westwind 1	*	*
1124A	Westwind 2	*	*
	Astra	*	*
TOTAL		*	*
LAKE AIRCRAFT			
• Single-Engine			
LA-4-200EP		0	0
LA-250	Renegade	1	1
TOTAL		1	1
MAULE AIR INC.			
• Single-Engine			
M-5-180C		0	0
M-5-200		0	0
M-5-235C	Lunar Rocket	0	0
M-6-235		0	0
MX-7-180	Super Rocket	1	1
M-7-235	Super Rocket	2	2
MX-7-235		1	1
TOTAL		4	4
MITSUBISHI			
• Multi-Engine			
Solitaire		0	0
Marquise		0	0
TOTAL		0	0
MOONEY AIRCRAFT CORP.			
• Single-Engine			
M-20J	201	0	0
M-20K	231	7	7
TOTAL		7	7

		Jan. 86	Cal. Year
PIPER AIRCRAFT CORP.			
• Single-Engine			
PA-38-112	Tomahawk	0	0
PA-28-161	Warrior	5	5
PA-28-181	Archer II	3	3
PA-28-236	Dakota	1	1
PA-28RT-201T	Turbo Arrow IV	0	0
PA-32-301	Saratoga	2	2
PA-32R-301	Saratoga SP	0	0
PA-32R-301T	Turbo Saratoga SP	0	0
PA-46-310P	Malibu	3	3
• Multi-Engine			
PA-31-350	Chieftain	0	0
PA-31P-350	Mojave	0	0
PA-31-500	Cheyenne I	0	0
PA-31-500	Cheyenne IA	0	0
PA-42-720	Cheyenne III	0	0
PA-42-720	Cheyenne IIIA	0	0
PA-42-1000	Cheyenne 400LS	0	0
PA-34-220T	Seneca III	3	3
PA-44-180	Seminole	0	0
PA-44-180T	Turbo Seminole	0	0
PA-T1020		0	0
PA-T1040		0	0
TOTAL		17	17
Manufacturers net billing – $1,968,353			
SHORT BROTHERS LTD.			
• Multi-Engine			
SBJ-CS-7	Skyvan	0	0
SD-3-30		0	0
SD-3-60		0	0
TOTAL		0	0
	SINGLE-ENGINE	57	57
	MULTI-ENGINE	25	25
	GRAND TOTAL	82	82

UNIT SHIPMENTS COMPARATIVE TREND: 19 MANUFACTURERS

	January			Calendar Year to Date		
	1986	1985	1984	1986	1985	1984
Aerospatiale	2	*	*	2	*	*
Beech	18	14	37	18	14	37
British Aerospace	2	3	2	2	3	2
Britten Norman	0	0	0	0	0	0
Canadair	0	3	2	0	3	2
Cessna	21	67	54	21	67	54
Dassault	2	4	0	2	4	0
DeHavilland	0	1	2	0	1	2
Embraer	6	14	14	6	14	14
Fairchild	1	0	2	1	0	2
Gates	0	0	0	0	0	0
Gulfstream	0	0	4	0	0	4
Israel	*	0	0	*	0	0
Lake	1	3	1	1	3	1
Maule Air Inc.	4	3	2	4	3	2
Mitsubishi	0	1	1	0	11	1
Mooney	7	8	6	7	8	6
Piper	17	40	33	17	40	33
Short	0	1	1	0	1	1
	82	162	160	82	162	160

* Figures not available